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FM AMEMBASSY KINGSTON
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INFO EC CARICOM COLLECTIVE
RUEATRS/DEPT OF TREASURY WASHINGTON DC
RUEHAD/AMEMBASSY ABU DHABI 0001
RUEHDE/AMCONSUL DUBAI 0001
RUEHLO/AMEMBASSY LONDON 0040
RUEHOT/AMEMBASSY OTTAWA 0038

UNCLAS SECTION 01 OF 02 KINGSTON 000806

SENSITIVE
SIPDIS
STATE FOR WHA/CAR (JMACK-WILSON)(RALVARADO)(VDEPIRRO)(WSMITH)
WHA/EPSC (MROONEY) (FCORNEILLE)
EEB/IFD/OMA
WHA/PPC (JGONZALEZ)
INR/RES (RWARNER)
INR/I (SMCCORMICK)
SANTO DOMINGO FOR FCS AND FAS
TREASURY FOR ERIN NEPHEW
EXPORT IMPORT BANK FOR ANNETTE MARESH

E.O. 12958: N/A
TAGS: [ECON](#) [EFIN](#) [EINV](#) [PGOV](#) [PREL](#) [KCRM](#) [KCOR](#) [JM](#) [XL](#) [UK](#) [AE](#)
SUBJECT: JAMAICA: EARLY CHRISTMAS FOR CASH PLUS INVESTORS?

Summary

11. (SBU) Investors in the failed alternative investment scheme, Cash Plus, could have an early Christmas, if liquidator Hugh Wildman is able to reclaim USD 25 million discovered in an offshore account in a Swiss bank in Dubai. The accounts were in the names of Carlos Hill, the embattled head of Cash Plus, his brother Bertram and John Doe. Wildman told a press conference that he has assembled a legal team of British lawyers to assist in the recovery of the funds on behalf of the depositors of Cash Plus. Wildman is also trying to retrieve USD 16 million paid on two properties in Jamaica. These funds, combined with proceeds from the sale of other assets, should go a far way in settling most of the almost USD 60 million in claims received to date. End summary.

Divine Discovery

12. (SBU) After almost a year in the job, Hugh Wildman, the court-appointed liquidator and Trustee in Bankruptcy for Cash Plus, has located USD 25 million stashed away in bank accounts in the United Arab Emirates (U.A.E.)state of Dubai. Wildman told journalists that the accounts were discovered at the international offshore banking center branch of Bank Julius Baer (Middle East) Limited. He said the discovery was "nothing short of a divine intervention," as the lead was provided by an anonymous source out of Dubai. He said the tip from the apparent insider source provided him with a detailed plan of the process required to locate the funds.

Hill Continues to Deceive

13. (SBU) The court appointed liquidator disclosed that to date the investigation has located four accounts in the names of: Carlos Hill, embattled Chairman and CEO of Cash Plus; his brother, Bertram Hill; the Hill Group of Companies; and, John Doe. Wildman said the information also comes just weeks after a heated meeting with Hill and his lawyers at which time the accused told the liquidator he had no funds outside of Jamaica that could be brought back to pay depositors. This development should finally convince loyal Cash Plus investors of Hill's apparent criminal intent, as it adds to

his history of conviction for crimes of racketeering, mail fraud, and of making a false statement in the U.S. in the 1990s.

¶4. (SBU) The discovery of the hidden accounts prompted Wildman to file another application for additional freezing orders against the Hill brothers. The orders demand that the Hills to make a full disclosure of the assets they have both locally and abroad. This disclosure, under oath, is expected in seven days and has a penal clause stating that failure to comply will be treated as contempt of court, subjecting the defendants to imprisonment. In addition to the USD 25 million, the liquidator is trying to secure USD 16 million in deposits paid on the Hilton Hotel in Kingston and the Drax Hall Estate in the resort town of Ocho Rios. Several pieces of less pricey real estate are also being liquidated.

British Team Assembled

¶5. (SBU) After satisfying himself that the tip was legitimate, Wildman assembled a team of British lawyers. The lawyers, who also have a practice in Dubai, were successful in serving an injunction on the Swiss bank requesting the freezing of Hill's assets. Wildman disclosed that, since the particular branch of the bank operated in the financial offshore center, it falls under British and not U.A.E. jurisprudence. As a consequence, the lawyers were able to serve the bank a freeze order through the British court under the Mareva injunction. The initial application was heard

KINGSTON 00000806 002 OF 002

two weeks ago in a Dubai court, which after extensive arguments granted the freezing orders against the four accounts. The issue has gone back to court with a second ruling in favor of the Jamaican liquidator.

Hurdles Still Abound

¶6. (SBU) However, Wildman was quick to caution that the other branch of the Swiss bank operates under U.A.E. law, which could pose some challenges going forward. He noted that the bank was already putting up fierce resistance as it appears to be in breach of British laws, as it is not a deposit-taking institution. Wildman said it was for this very reason that the lawyers had decided to go after the branch, which operates under British jurisdiction. The liquidator, while confident of a speedy resolution, is nevertheless harboring fears that the bank will not cooperate. He also posits that, if the case were to be tried under U.A.E. law, it could take much longer to resolve.

Comment

¶7. (SBU) The recent discovery of funds stashed away in secret bank accounts is the first piece of good news for Cash Plus investors in over a year. Most investors had already given up hope of ever being repaid. The news has therefore led to renewed optimism, with a number of investors flocking to the office of the liquidator to get additional information. However, it would appear that this new episode of the Cash Plus saga is far from over and the liquidator might well have been premature in his disclosure that investors could be paid part of their deposits by Christmas. The revelation of the existence of this money could also lead to a flood of new claims, diluting any possible payout. However, in the final analysis, the discovery must be viewed as a positive development as it sheds new light on the intention of the operators of these unregulated schemes. End Comment.

Parnell